

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Sam Medical Products

Oregon Manufacturing Extension Partnership

SAM Medical Products Retains Local Jobs with Help from Oregon MEP

Client Profile:

SAM Medical Products, located in Portland, Oregon, develops, manufactures and markets orthopedic splints, and wound care devices designed for use in the field by the military, Emergency Medical Services, outdoor enthusiasts, and even NASA in space exploration. Founded in 1985 by Dr. Sam Scheinberg, SAM has expanded its product line to include a blister prevention and treatment line, and a new hemostat agent for severe and life-threatening bleeding. SAM employs 35 people at its facility in Newport, Oregon.

Situation:

In September 2006, SAM Medical faced significant domestic and offshore competition. The company was doing quite well but the owners knew they could improve its competitiveness while simultaneously retaining manufacturing jobs in Lincoln County. SAM was exposed to Lean by a university MBA project team and knew that this was the exact philosophy for their needs. The Oregon Manufacturing Extension Partnership (OMEP), a NIST MEP network affiliate, was brought into the picture through an introduction by Paddy Fleming of MilTech, a Department of Defense sponsored organization charged with ensuring the sustainability of small to mid-sized military contractors. SAM and OMEP quickly determined the project scope to include projects in the manufacturing facility as well as the office. During the discussions, it also became clear that SAM needed strategic planning and marketing assistance.

Solution:

OMEP consultant Tom Wright-Hay worked with SAM to secure funding for the project through the Governor's Workforce Training Fund. Additional funding was also provided by MilTech. The two-part approach selected to assist SAM centered around Lean and Strategic Planning. OMEP provided training to employees in Principles of Lean, Value Stream Mapping (VSM), 5S (Sort, Set in Order, Shine, Standardize, Sustain), and Total Productive Maintenance. Through the training and VSM efforts, a number of opportunities were identified to streamline production, reduce costs, lead-times, and improve quality. Specific improvements involved the introduction of continuous flow processing, better workplace organization through a comprehensive 5S program and improved product yield through standard work and better quality control processes. The most significant improvement came in the form of improved equipment reliability through a diligent Total Productive Maintenance (TPM) effort. After the TPM event was completed, the subject machine set several new daily production records.

OMEP also worked with SAM's sales team to streamline the order entry process. Beginning with training in Principles of Lean and Administrative VSM, OMEP and SAM identified a number of areas for improvement. Most significant, a great deal of redundancy was eliminated by simply ensuring better quality-at-the-source for upstream processing steps. Additionally, less time was spent searching for information by better organizing the office environment. OMEP also worked with SAM to craft a

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strategic plan and better marketing effort. OMEP contracted with Peter Arezzini of Arezzini Associates to provide these services. Working with SAM's management over the course of several months, Arezzini was able to focus SAM on several key markets and provide a more consistent marketing message. With OMEP's assistance, SAM has experienced a reduction in manufacturing costs along with increased productivity, quality and reduced lead times.

Results:

- * Increased sales by 25 percent.
- * Increased productivity by 100 percent.
- * Reduced lead time by 33 percent.
- * Reduced inventory by 25 percent.

Testimonial:

"OMEP has been a critical and valuable resource for SAM Medical and we look forward to a continued relationship in the future."

Adrian Polliack, Chief Operating Officer